

BEFORE THE TENNESSEE REGULATORY AUTHORITY
IN NASHVILLE

IN RE:

IN THE MATTER OF NOTICE OF
RULEMAKING AMENDMENTS OF
REGULATIONS FOR TELEPHONE
SERVICE PROVIDERS,

) 01/03/2000 PM 12:00
)
)
) Docket No. 00-00873
)
)

COMMENTS OF TIME WARNER TELECOM
OF THE MID-SOUTH, L.P.

Time Warner Telecom of the Mid-South, L.P. ("Time Warner") submits the following comments, pursuant to previous notice issued by the Tennessee Regulatory Authority ("Authority"), to the proposed amendment to Chapter 1220-4-2 pertaining to service standard regulations for telecommunications service providers as follows:

- 1. If adopted, the proposed rules will frustrate the orderly development of effectively competitive local exchange markets in Tennessee.**

Consistent with state and federal legislation, the Authority has historically made every effort to create a regulatory environment that encourages the development of a competitive market. As more choices of providers and services are offered to the consuming public, customer satisfaction will ultimately, in every instance, dictate service quality levels. This concept is the very essence of competition and competitive markets.

Currently, more providers offer more and better quality services in Tennessee than ever before. At this point, the proposed rules represent a step in the wrong direction in our way to competitive markets. Instead of permitting customers to dictate the quality of acceptable service by changing service providers, the rules attempt to fine-tune service quality through the regulatory process. This regulatory effort will only work to retard the development and dilute the effectiveness of the natural market forces which are driven by

customer demands and satisfaction. In order to achieve the level of competition contemplated by the Tennessee General Assembly of the United States Congress, competitors must have an opportunity to offer service quality which is established by the customer; not the regulatory process.

2. If adopted, the application of the proposed rules should be restricted to residential service.

If adopted, there is no rational basis to support the application of the proposed rules to services provided to business customers. Over the course of the past two (2) years, the Authority has approved BellSouth contract service arrangements based upon the proposition that business customers are sophisticated end users and should be entitled to contract with their service providers on such terms and conditions as they deem appropriate to their business operations. Presumably, the Authority has taken this position, in part, because a level of competition in the business markets has developed to some degree, although there is currently no alternative providers available to residential customers. Arguably, a lack of competition could, under certain circumstances, support a greater degree of regulation of service quality. The Authority may, therefore, deem it necessary to adopt the proposed rule for residential service, especially for those carriers qualifying for universal service support as Eligible Telecommunications Carriers. This type regulation is, however, inappropriate in the business market where competition can be stymied by increased regulation. As competition increases, regulation should decrease; not increase.

3. The proposed rules are arbitrary in the absence of an analysis of current service quality.

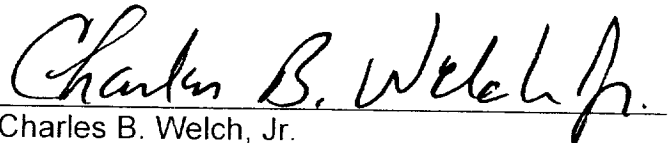
The Authority's consideration of the proposed rules presupposes that current service quality is deficient or inadequate. There has been no allegation or any proof of such sub-standard service quality. There has been no hearing or other effort to analyze service quality levels or the reasons or areas of any deficiencies. Absent a hearing and reasoned analysis, the proposed rules serve no legitimate purpose and are arbitrary. Service quality deficiencies, if any, should be carefully considered and the Authority should consider specific rules designed to cure specific deficiencies.

CONCLUSION

Time Warner submits that the proposed rules are unnecessary and that competition will ultimately become the regulator of service quality. In the alternative, Time Warner suggests that any rules adopted by the Authority for the purpose of improving service quality standards should only apply to residential services for which there are no competitive alternatives. Finally, Time Warner supports the revised version of the rules, if any such rules are adopted by the Authority, submitted as an industry consensus as an attachment to BellSouth's comments.

Respectfully submitted,

FARRIS MATHEWS BRANAN
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A handwritten signature in cursive script, reading "Charles B. Welch, Jr.", written in black ink over a horizontal line.

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following parties, via facsimile or U.S. Mail, postage prepaid, this the 26th day of October, 2001.

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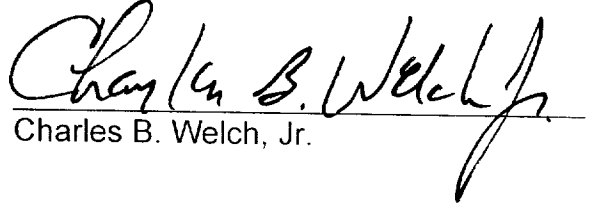
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